

# Management System: Budget and Financial Management

## Subject Area: Budget

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### 1.0 Introduction

This subject area encompasses all phases of funds certification and distribution, budget formulation, and budget execution. Major components of this subject area also included the management of program direction funds, and the successful utilization of budget systems. This subject area identifies all major processes required to perform these aforementioned activities in a manner consistent with the U.S. Department of Energy (DOE) strategic theme of management excellence. Further, these processes are executed within defined roles and responsibilities and within the requirements presented by applicable DOE Directives and regulations.

### 2.0 Contents

Procedures	Procedure Content
1. <a href="#">Certifying and Distributing Funds</a>	<ul style="list-style-type: none"><li>• Receive Advice of Allotment and Approved Funding Program documents</li><li>• Enter allocations into Standard Accounting and Reporting System (STARS).</li><li>• Certify funding availability for obligations.</li><li>• Verify STARS obligations.</li></ul>
2. <a href="#">Executing, Analyzing, and Reporting the Budget</a>	<ul style="list-style-type: none"><li>• Receive funding details.</li><li>• Receive program guidance.</li><li>• Reconcile funding details with program guidance.</li><li>• Distribute funds.</li><li>• Analyze monthly data to verify accuracy and funds status.</li><li>• Perform variety of year-end tasks including: review of unobligated balances, review of accruals, establishment of year-end cut-off dates for obligations, assure that obligations for signed contract modifications are recorded in STARS, assure that accruals have been properly recorded, and perform other related year-end activities deemed appropriate.</li></ul>

Procedures	Procedure Content
3. <a href="#">Managing Program Direction Funds</a>	<ul style="list-style-type: none"> <li>• Provide budget call.</li> <li>• Develop and submit budgets.</li> <li>• Track requested internal budgets.</li> <li>• Provide funding to internal and site office organizations.</li> <li>• Certify funds availability for procurements involving program direction funds.</li> <li>• Monitor program direction costs and funding status.</li> </ul>
4. <a href="#">Formulating the Budget</a>	<ul style="list-style-type: none"> <li>• Issue Field Budget Call.</li> <li>• Provide guidance.</li> <li>• Review/validate budget data.</li> <li>• Develop consolidated budget.</li> <li>• Submit Corporate Program Review documents.</li> <li>• Submit budgets to OMB</li> <li>• Submit President's budget.</li> </ul>

### 3.0 Exhibits/Forms

- Delegation Memorandum for the Verification of Funds Availability for Withdrawal of Allotted Funds (Example)
- Example of a Typical Budget Formulation Calendar
- Example of Fiscal Year Report of Contacts for Verification of Funds Availability for Withdrawal of Allocated Funds
- STRIPES 6.5 Quick Guide, Approving and Amending a Subject to Availability of Funds (SAF) Requisition

### 4.0 Related Information

- [Authorization and Annual Energy and Water Development Appropriations Acts](#)
- [Congressional Research Service \(CRS\) Report for Congress, titled "The Executive Budget Process Timetable," updated 06/17/2008 \(Order Code RS20152\)](#)
- [Departmental Obligation Reconciliation and SF-2108 Certification Standard Operating Procedure Guide, dated 06/05/2009](#)
- [DOE O 413.3B, Program and Project Management for the Acquisition of Capital Assets](#)
- [DOE M 413.3-1, Project Management for the Acquisition of Capital Assets](#)
- [DOE O 430.1B, Change 2, Real Property and Asset Management](#)
- [DOE Accounting Handbook, Chapter 2, "Administrative Control of Funds"](#)
- [DOE Accounting Handbook, Chapter 3, "Accounting for Appropriations and Other Funds"](#)

- [DOE Accounting Handbook, Chapter 5, "Accounting for Obligations"](#)
- [DOE Accounting Handbook, Chapter 10, "Property, Plant, and Equipment"](#)
- [DOE HQ Funds Distribution System \(FDS\)](#)
- [DOE HQ Office of Budget Internal Web site](#)
- DOE HQ Office of Internal Review Guidance Regarding STARS to FDS Reconciliations/Certifications provided via email from Vicky Salonis, Office of Internal Review, titled "Certification of STARS vs. FDS Reconciliation," dated 09/2008
- [DOE HQ Standard Accounting and Reporting System \(STARS\)](#)
- [DOE HQ Strategic Integrated Procurement Enterprise System \(STRIPES\)](#)
- DOE Memorandum from Lois A. Jessup, Acting Director, Office of Financial Policy, to Distribution, titled "Updated Guidance on Annual and Multiple Year Appropriations," dated 11/20/2009
- [DOE Office of Budget Guidance on the Preparation of Project Data Sheets \(NOTE: Requires Sign In\)](#)
- [OMB Circular A-11, Part 4, "Instructions on Budget Execution"](#)
- [OMB Circular A-11, "Part 7, Planning, Budgeting, Acquisition, and Management of Capital Assets;" "Exhibit 300—Planning, Budgeting, Acquisition, and Management of Capital Assets" and "Supplement to Part 7—Capital Programming Guide"](#)
- [Public Law 83-703, Atomic Energy Act of 1954](#)
- [U.S. Office of Management and Budget \(OMB\) Web site](#)

## 5.0 Requirements

Document	Title
<a href="#">DOE O 130.1</a>	<i>Budget Formulation</i>
<a href="#">DOE M 135.1-1A</a>	<i>DOE Budget Execution -- Funds Distribution And Control Manual</i>
<a href="#">DOE O 135.1A</a>	<i>Budget Execution -- Funds Distribution And Control</i>
<a href="#">DOE O 137.1B</a>	<i>Plan for Operating in the Event of a Lapse in Appropriations</i>
<a href="#">DOE O 412.1A</a>	Work Authorization System

## 6.0 Definitions

TERM	DEFINITION
<b>Allocations</b>	Subdivision of an allotment. Allocations are made into a pre-established control level accounting structure.
<b>Allotment</b>	An authorization by the head of a Federal agency or another authorized employee for an employee to incur obligations within a specified amount pursuant to an U.S. Office of Management and Budget (OMB) apportionment or reappportionment action, in accordance with <a href="#">OMB Circular No. A-11</a> or other statutory authority that makes funds available for obligation. Allotments convey legal limitations and are made on HQ F 2260.2, <i>Advice of Allotment</i> , (internal form available from the Funds Distribution and Control Team [FDCT]).
<b>Anti-Deficiency Act</b>	The <i>Anti-Deficiency Act</i> , <a href="#">31 U.S.C. 1341</a> is a major law through which Congress exercises its constitutional control of public funds. This Act prohibits making or authorizing an expenditure from, or creating or authorizing an obligation under, any appropriation or fund in excess of the amount available in the appropriation or fund unless authorized by law; involving the government in any obligation to pay money before funds have been appropriated for that purpose; accepting voluntary services for the United States, or employing personal services not authorized by law; making obligations or expenditures in excess of an apportionment or reappportionment, or in excess of the amount permitted by agency regulations.
<b>Appropriation Act</b>	The <i>Appropriation Act</i> is an act of Congress that permits Federal agencies to incur obligations and to make payments out of the Treasury for specified purposes. An appropriation act usually follows enactment of authorizing legislation, and is the most common means of providing budget authority. Limitations imposed in appropriations constitute separate legal limitations and will be reflected on allotments.

<b>Approved Funding Program (AFP)</b>	A document issued to U.S. Department of Energy organizations setting forth the funds available for obligation and expenditure (not to exceed the amount allotted) in each appropriation account. It specifies obligation control levels applicable to each program, project, or activity (PPA). The AFP is a detailed breakdown of allotments for program management purposes. The Chief Financial Officer (CFO) issues AFPs for operating expenses, construction, and reimbursable work monthly.
<b>Budget and Reporting (B&amp;R) Classification Codes</b>	The coding structure that parallels approved U.S. Department of Energy Programs, Projects, or Activities (PPAs). The codes are used for executing the budget; reporting actual obligations, costs, and revenues; and controlling and measuring actual versus budgeted performance.
<b>Budget Authority</b>	Budget authority is the authority provided by law to enter into obligations that will result in immediate or future outlays of Government funds. The basic forms of budget authority are appropriations, contract authority, borrowing authority, and authority to obligate and expend offsetting receipts and collections. Budget authority may be classified by the period of availability (one-year, multiple-year, no-year); by the timing of Congressional action (current or permanent); by the manner of determining the amount (definite or indefinite); or by its availability for new obligations.
<b>Capital Assets</b>	Land, structures, equipment, and information technology (e.g., hardware, software, and applications) that are used by the Federal Government and that have an estimated useful life of 2 years or more. Capital assets include the environmental restoration (decontamination and decommissioning) of land to make useful, leasehold improvements and land rights and assets whose ownership is shared by the Federal Government with other entities. Capital assets do <u>not</u> include grants for acquiring capital assets made to State and local governments or other entities. Capital assets also do <u>not</u> include intangible assets, such as the knowledge resulting from research and development and education and training.
<b>Continuing Resolution (CR)</b>	Legislation enacted by Congress to provide budget authority for specific ongoing activities (i.e., no new starts) for a specific period of time when the regular annual appropriation has not been enacted by the beginning of the fiscal year. A continuing resolution specifies a maximum rate at which the U.S. Department of Energy may incur obligations. The levels

	specified may be current rate, not to exceed current rate, up to the lower of the amounts provided in appropriation bills, or any other basis.
<b>Financial Plan</b>	Detailed guidance which shows distribution of funds with its associated accounting codes to a particular contractor for a specific period of time and supporting or consistent with a contract action related to that particular contractor.
<b>Obligation</b>	An order placed, contract awarded, service received, or similar transaction during a given period that will require payments during the same or a future period.
<b>Obligational Control Level</b>	As specified on congressional and internal base tables, the level at which obligations are to be controlled; an administrative upper limit placed on obligations or expenditures that may be incurred for a specific program, project, or activity. Obligation control levels are identified in base tables and are derived from tables accompanying conference reports and from internal controls established for more effective program management. This type of restriction is subject to U.S. Department of Energy (rather than statutory) rules and penalties. Obligation control levels can be imposed by Congress, U.S. Office of Management and Budget (OMB), or internal U.S. Department of Energy management. Levels specified in Approved Funding Programs may not be exceeded. (See <a href="#">DOE Accounting Handbook, Chapter 2</a> , "Administrative Control of Funds," for information on penalties for exceeding obligation control levels.)
<b>Operating Expense Funding</b>	A funding category applied to operations and maintenance activities and equipment purchases. Operating expenses include general plant projects, accelerator improvement projects, and capital equipment (not related to construction). Operating expense does not include line-item construction projects. (For additional information, see the <a href="#">DOE Accounting Handbook</a> .)
<b>Reimbursable Work</b>	Work or services performed or to be performed for a Federal or non-Federal customer. The U.S. Department of Energy is compensated by reimbursement, which may be credited as authorized by law to the appropriation or to a U.S. Department of Energy fund account that incurred the costs. Reimbursable work for other Federal agencies is typically authorized under the <i>Economy Act of 1932, as amended</i> . Reimbursable work for non-Federal entities must be specifically authorized by Congress through legislation (e.g., <i>Atomic Energy Act of 1954</i> ,

	<i>Department of Energy Organization Act of 1977, Intergovernmental Cooperation Act of 1968, Contributed Funds Act of 1921, and Stevenson–Wydler Technology Innovation Act of 1980, as amended).</i>
<b>Reprogramming</b>	The use of funds from an appropriation account for purposes other than those contemplated by Congress during appropriation action. A reprogramming action will be initiated to address any departure from the obligational control levels delineated in the base table and amplified in Congressional reports or any significant programmatic departure from a program, project, or activity described in the Congressional budget narrative justification and testimony.
<b>Uncosted Obligations</b>	Budget authority obligated but not costed representing a portion of contract obligations for goods and services that have not yet been received. Unexpended obligations are part of doing business and play a key role in budget formulation and execution cycles supporting continuity of operations at the beginning of the year. Unexpended balances must be reviewed thoroughly to ensure that they remain at levels consistent with sound fiscal management. See <a href="#">DOE Accounting Handbook, Chapter 5</a> , "Accounting for Obligations."